



MICHAEL J. BAKALIS

COMPTROLLER
STATE OF ILLINOIS

August 23, 1978

201 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706
217/782-6000

PAYROLL MEMORANDUM

TO: All Heads of Agencies, Boards, Commissions, Personnel Officers
and Payroll Officers

FROM: Daniel S. Steven, Payroll Supervisor

SUBJECT: Implementation of Salary Provisions based on Revenue Forecast -
Receipts Formula

This memorandum is to serve as a supplement to the August 16, 1978 memorandum set by William Boys, Director of the Department of Personnel with regard to withholding on the FY-78 portion of the payment.

WITHHOLDING

The retroactive portion (July 1, 1977 through June 30, 1978) will be subject to the following withholdings:

1. Federal Income Tax - This can be calculated at a flat 20% or the tax tables can be used basing the withholding on marital status and exemptions.
2. State Income Tax - This can be calculated at a flat 2½% or the tax tables can be used basing the withholding on the number of exemptions.
3. Retirement - This should be calculated at 4% or 8%, whichever is applicable, for current employees only.
4. Social Security - This will be calculated at 6.05% for persons who are covered by social security. Be sure you do not withhold social security from those persons who have reached their maximum.
5. Tax Levies - The FY-78 portion of this payment will be subject to federal tax levies. Generally, if any employee had sufficient regular salary to apply a levy to, you will probably have to apply the entire net payment, or that portion which will satisfy it, toward the levy.
6. Garnishments - Garnishments are to be applied at a rate of 15%. If you do not apply the garnishment on the payroll voucher, the warrant will be pulled and re-written causing a delay for the employee in receiving his payment.

7. Union Dues - Union dues should be withheld where applicable.

If you have any questions regarding any portion of this memorandum, please contact me at (217) 782-4758.